

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF TEXAS
WACO DIVISION

UNITED STATES OF AMERICA

*

V.

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CRIMINAL NO. W-07-CR-107

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KENNETH ERIC WATSON (1)

FACTUAL BASIS

Had this case proceeded to trial, the United States Attorney for the Western District of Texas was prepared to prove and would prove beyond a reasonable doubt that:

COUNT ONE

Beginning in or about February, 2006, the exact date unknown, and continuing until on or about July 13, 2006, in the Western District of Texas, Defendant,

KENNETH ERIC WATSON,

and others known and unknown, did unlawfully and willfully combine, conspire, confederate and agree together and with each other and others to possess with intent to distribute a controlled substance, which offense involved at least five (5) kilograms of a mixture and substance containing a detectable amount of cocaine, a Schedule II Narcotic Drug Controlled Substance, contrary to Title 21, United States Code, Section 841(a)(1) and 841(b)(1)(A)(ii), and in violation of Title 21, United States Code, Section 846.

COUNT TWO

On or about June 28, 2006, in the Western District of Texas, Defendant,

KENNETH ERIC WATSON,

unlawfully, knowingly, and intentionally did possess with intent to distribute a controlled substance, which offense involved at least five hundred (500) grams of a mixture or substance containing a detectable amount of cocaine, a Schedule II Narcotic Drug Controlled Substance, in violation of Title 21, United States Code, Sections 841(a)(1) and 841(b)(1)(B)(ii)(II).

COUNT THREE

On or about June 28, 2006, in the Western District of Texas, Defendant,

KENNETH ERIC WATSON,

did knowingly possess at least one of the following firearms, to-wit:

A Bushmaster 223 pistol, bearing Serial Number 0598;
A Hi-Point, model C-99, 9mm pistol, bearing Serial Number P1263960;

in furtherance of a drug trafficking crime for which he may be prosecuted in a court of the United States, to-wit: Possession With Intent to Distribute at Least 500 Grams of Cocaine, a Schedule II Narcotic Drug Controlled Substance, contrary to Title 21, United States Code, Sections 841(a)(1) and 841(b)(1)(B)(ii)(II), all in violation of Title 18, United States Code, Section 924(c)(1)(A)(I).

COUNT FOUR

On or about June 28, 2006, in the Western District of Texas, Defendant,

KENNETH ERIC WATSON,

being a person who had been convicted of the following crime, punishable by imprisonment for a term exceeding one year, to-wit:

On November 19, 1993, KENNETH ERIC WATSON was convicted of *Possession With Intent to Distribute Crack Cocaine, a Schedule II Narcotic Drug Controlled Substance*, in the United States District Court for the Western District of Texas, Austin Division, in Cause Number A-93-CR-132;

did unlawfully and knowingly possess at least one of the following firearms, to-wit:

A Bushmaster 223 pistol, bearing Serial Number 0598;
A Hi-Point, model C-99, 9mm pistol, bearing Serial Number P1263960;

which had moved in commerce and affecting commerce, in violation of Title 18, United States Code, Sections 922(g)(1) and 924(a)(2).

Specifically, the United States Attorney would prove beyond a reasonable doubt that:

On June 28, 2006, an officer with the Harker Heights Police Department attempted a traffic stop of a Chevy Avalanche truck with license plate 02P-SS2. The driver of the vehicle refused to stop and a marked patrol unit pursued the vehicle until the chase was terminated for safety reasons. Shortly after the vehicle chase, Bell County 911 received a call reporting a black male was in the area attempting to stop passing cars while waving a bag of marijuana. The caller reported seeing a truck that matched the description of the Avalanche nearby. A second caller reported seeing a vehicle similar to the Avalanche involved in the chase speeding down a nearby street with a blown out tire. The second caller advised the truck went into a ditch on Old Nolanville Road and that the driver was a black male who was walking down the road carrying a bag. A third caller advised she observed a black male in her yard. Officers met with the third caller who directed the officers to the church to the west of her property. The third caller advised the man had hid some bags at the base of a light pole by the church.

Officers went to the church which is located in Nolanville, Texas which is in the Waco Division of the Western District of Texas. Officers found several duffel bags at the base of a light pole. Inside the bags, officers found cocaine, marijuana, a letter addressed to WATSON and the Bushmaster and Hi-Point firearms listed in counts three and four of the indictment. The cocaine was inside a cloth bag labeled "Red Monkey Jeans". Nearby officers located the Chevy Avalanche

involved in the vehicle chase. The vehicle was registered to WATSON at an address in Harker Heights, Texas.

A photograph of WATSON was obtained and presented to the 911 caller who reported the black male attempting to stop motorists with the bag of marijuana. The caller identified WATSON as the man he had seen. A search warrant for WATSON's residence was obtained. At the home, investigators located a currency counting machine, currency wrappers, kilogram size packaging containing a white residue which tested positive for the presence of cocaine, an electronic scale and cloth bags marked "Red Monkey Jeans". The home was wired with a security system which recorded images both inside and outside the home. Investigators reviewed the recordings made by the security system and observed WATSON putting firearms into a bag similar to one of the bags found at the church in Nolanville then entering a Chevy Avalanche with license plate number 02P-SS2 carrying the bag.

The narcotics found at the church in Nolanville were submitted to the Texas Department of Public Safety laboratory for testing and were found to be 984.74 grams of cocaine and almost two pounds of marijuana. The Bushmaster and Hi-Point listed in Counts Three and Four of the indictment are firearms which were manufactured outside the state of Texas, thus they have moved in or affected commerce. The firearms were possessed in furtherance of WATSON's drug trafficking activities.

WATSON was previously convicted of the offense listed in Count Four of the indictment which is an offense with a term of imprisonment exceeding one year.

Further investigation revealed that a co-conspirator, ERNEST SMITH III, had rented a storage unit at Long Branch Storage in Killeen Texas, which is located in the Waco Division of the

Western District of Texas, the day after WATSON was involved in the vehicle chase with police officers. A search warrant was obtained for the storage shed and executed on July 13, 2007. Inside the storage unit, investigators located documents belonging to WATSON, digital scales, powder cocaine, cocaine residue and the following firearms: a Bersa Thunder .380, a Browning 12 gauge and a Berreta 12 gauge. These firearms, listed in Counts Six and Seven of the indictment, are firearms that were manufactured outside the state of Texas, thus they have moved in or affected commerce. The firearms were possessed by SMITH and WATSON in furtherance of their drug trafficking activities. The narcotics found in the storage unit were sent to the Texas Department of Public Safety Laboratory and were found to be 938.92 grams of powder cocaine. SMITH's fingerprint was found on a box which contained cocaine.

SMITH was previously convicted of the offense listed in Count Seven of the indictment which is an offense with a term of imprisonment exceeding one year.

On July 14, 2006, a search warrant was executed at an apartment on Bentree in Killeen, Texas which is located in the Waco Division of the Western District of Texas. This is the address SMITH provided on the rental application for the storage unit. Investigators located powder cocaine, packaging material, items used to cook crack cocaine, scales and currency. The narcotics field tested positive for the presence of cocaine and weighted approximately 298 grams. A key to the storage unit at Long Branch Storage was located. SMITH's fingerprint was found on a plastic bag containing cocaine and on a plastic wrapper that had cocaine residue on it.

SMITH was interviewed by investigators. SMITH advised he rented the storage unit, that he placed the firearms in the unit and that there could be as much as a kilogram of cocaine in the unit.

Investigators interviewed a cooperating witness who stated WATSON was the head of a large scale cocaine distribution organization. The cooperator stated a team of five persons, which included SMITH, was responsible for distributing between one and three kilos of powder cocaine a week in the Killeen area which is located in the Waco Division of the Western District of Texas. The cooperator described other teams in the Austin and Houston areas. The cooperator stated in total the organization distributed between twenty and thirty kilos of powder cocaine a week. According to the cooperator, SMITH became involved in the organization in August of 2005 and he provided an apartment on Bentree and a storage unit at Long Branch Storage which were used to store and distribute cocaine and as currency drop points. According to the cooperator, SMITH was fully aware of the amount of narcotics the entire organization was distributing.

A second cooperating witness was interviewed who stated that he/she received between four and nine ounces of powder cocaine on a weekly basis from WATSON beginning in March of 2006 until June of 2006. The cooperator described a cocaine trafficking organization involving more than five participants with WATSON as the head of the organization. The cooperator described SMITH as being third in the chain of command and stated he had the title "Lieutenant". The cooperator described SMITH's apartment on Bentree as "central" where everyone came to pick their cocaine. The cooperator stated the WATSON organization moved two to three kilos of powder cocaine a week in the Killeen area.

On April 19, 2007 WATSON was found living under an assumed name in Houston, Texas. Investigators obtained a search warrant for his residence and located cocaine, marijuana, promethazine cough syrup, \$36,610.00, packaging material, scales and two handguns.

Respectfully submitted,

JOHNNY SUTTON
UNITED STATES ATTORNEY

By:

Shelly Strimple
SHELLY STRIMPLE
Special Assistant U.S. Attorney